

**REPORT OF THE AUDIT OF THE
TODD COUNTY
FISCAL COURT**

**For The Fiscal Year Ended
June 30, 2012**



**ADAM H. EDELEN
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EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE TODD COUNTY FISCAL COURT

June 30, 2012

The Auditor of Public Accounts has completed the audit of the Todd County Fiscal Court for fiscal year ended June 30, 2012.

We have issued unqualified opinions, based on our audit, on the governmental activities, business-type activities, each major fund, and aggregate remaining fund information financial statements of Todd County, Kentucky.

Financial Condition:

The fiscal court had total net assets of \$5,855,438 as of June 30, 2012. The fiscal court had unrestricted net assets of \$1,273,256 in its governmental activities as of June 30, 2012, with total net assets of \$5,853,823. In its business type activities, total net cash was \$1,615 with total net assets of \$1,615 as of June 30, 2012. The fiscal court had total debt principal as of June 30, 2012 of \$15,237,860 with \$607,909 due within the next year.

Report Comments:

- 2012-01 Todd County Fiscal Court Has Lack Of Segregation Of Duties Over Cash, Cash Transfers, And Receipts
- 2012-02 Todd County Detention Center Has Lack Of Segregation Of Duties Over Jail Operations And Jail Commissary
- 2012-03 Todd County Fiscal Court Should Bid All Items Exceeding \$20,000 Or Have Documentation That Items Were Purchased On State Contract

Deposits:

The fiscal court's deposits were insured and collateralized by bank securities.

CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT	1
TODD COUNTY OFFICIALS	3
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS	7
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS	10
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS	14
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS	18
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS	23
STATEMENT OF NET ASSETS – PROPRIETARY FUND - MODIFIED CASH BASIS	27
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS – PROPRIETARY FUND – MODIFIED CASH BASIS	31
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – MODIFIED CASH BASIS	35
STATEMENT OF FIDUCIARY NET ASSETS.....	39
NOTES TO FINANCIAL STATEMENTS.....	41
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS	61
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS.....	65
BUDGETARY COMPARISON INFORMATION.....	69
NOTES TO OTHER INFORMATION.....	72
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	75
COMMENTS AND RECOMMENDATIONS	79
APPENDIX A:	
CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM	



ADAM H. EDELEN
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Steven L. Beshear, Governor
Lori H. Flanery, Secretary
Finance and Administration Cabinet
Honorable Daryl Greenfield, Todd County Judge/Executive
Members of the Todd County Fiscal Court

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Todd County, Kentucky, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Todd County Fiscal Court. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, Todd County, Kentucky, prepares its financial statements in accordance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Todd County, Kentucky, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with the basis of accounting described in Note 1.



To the People of Kentucky
Honorable Steven L. Beshear, Governor
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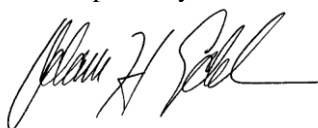
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Todd County, Kentucky's basic financial statements as a whole. The combining fund financial statement and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole. The budgetary comparison information have not been subjected to the auditing procedures applied in the audit of the basic financial statement and, and accordingly, we do not express an opinion or provide any assurance on it.

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2012, on our consideration of Todd County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Based on the results of our audit, we present the accompanying comments and recommendations, included herein, which discusses the following report comments:

- 2012-01 Todd County Fiscal Court Has Lack Of Segregation Of Duties Over Cash, Cash Transfers, And Receipts
- 2012-02 Todd County Detention Center Has Lack Of Segregation Of Duties Over Jail Operations And Jail Commissary
- 2012-03 Todd County Fiscal Court Should Bid All Items Exceeding \$20,000 Or Have Documentation That Items Were Purchased On State Contract

Respectfully submitted,



Adam H. Edelen
Auditor of Public Accounts

December 18, 2012

TODD COUNTY OFFICIALS

For The Year Ended June 30, 2012

Fiscal Court Members:

Daryl Greenfield	County Judge/Executive
Alford Blake	Magistrate
Rex Johnson	Magistrate
John Camp	Magistrate
Brent Spurlin	Magistrate
Jimmy Turner	Magistrate

Other Elected Officials:

Harold Johns	County Attorney
Greg Allen	Jailer
Kim Chapman	County Clerk
Mark Cowherd	Circuit Court Clerk
Joey Johnson	Sheriff
Perry Stokes	Property Valuation Administrator
Robert Whittlesey	Coroner

Appointed Personnel:

Tammy Robertson	County Treasurer
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TODD COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2012

TODD COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2012

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 3,534,502	\$ 1,615	\$ 3,536,117
Total Current Assets	<u>3,534,502</u>	<u>1,615</u>	<u>3,536,117</u>
Noncurrent Assets:			
Capital Assets - Not Being Depreciated			
Land and Land Improvements	746,386		746,386
Construction in Progress	8,501,286		8,501,286
Capital Assets - Net of Accumulated Depreciation			
Buildings	5,387,937		5,387,937
Vehicles and Equipment	1,032,817		1,032,817
Infrastructure	1,888,755		1,888,755
Total Noncurrent Assets	<u>17,557,181</u>		<u>17,557,181</u>
Total Assets	<u>21,091,683</u>	<u>1,615</u>	<u>21,093,298</u>
LIABILITIES			
Current Liabilities:			
Financing Obligations	72,909		72,909
Bonds Payable	535,000		535,000
Total Current Liabilities	<u>607,909</u>		<u>607,909</u>
Noncurrent Liabilities:			
Financing Obligations	549,951		549,951
Bonds Payable	14,080,000		14,080,000
Total Noncurrent Liabilities	<u>14,629,951</u>		<u>14,629,951</u>
Total Liabilities	<u>15,237,860</u>		<u>15,237,860</u>
NET ASSETS			
Invested in Capital Assets,			
Net of Related Debt	2,319,321		2,319,321
Restricted For:			
Protection to Persons and Property	3,670		3,670
Roads	489,890		489,890
Capital Projects	1,766,603		1,766,603
Debt Service	1,083		1,083
Unrestricted	1,273,256	1,615	1,274,871
Total Net Assets	<u>\$ 5,853,823</u>	<u>\$ 1,615</u>	<u>\$ 5,855,438</u>

The accompanying notes are an integral part of the financial statements.

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TODD COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended June 30, 2012

TODD COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2012

		Program Revenues Received		
Functions/Programs Reporting Entity	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 1,790,287	\$ 615,822	\$ 1,247,106	\$
Protection to Persons and Property	2,242,764	830,842	163,136	154,561
General Health and Sanitation	163,133	25,941	27,009	
Social Services	4,178			
Recreation and Culture	11,820			
Roads	1,021,799	8,592	1,394,227	103,000
Interest On Long-term Debt	604,184			
Capital Projects	59,452			
Total Governmental Activities	5,897,617	1,481,197	2,831,478	257,561
Business-type Activities:				
Jail Canteen	11,471	11,194		
Total Business-type Activities	11,471	11,194		
Total Primary Government	\$ 5,909,088	\$ 1,492,391	\$ 2,831,478	\$ 257,561

General Revenues:

Taxes:

Real Property Taxes

Motor Vehicle Tax

Occupational Tax

Insurance Tax

Net Profit Tax

Other Taxes

In Lieu of Tax Payments

Interest

Miscellaneous Revenues

Total General Revenues

Change in Net Assets

Net Assets - Beginning (Restated)

Net Assets - Ending

The accompanying notes are an integral part of the financial statements.

TODD COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended June 30, 2012
(Continued)

Net (Expenses) Revenues and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
\$ 72,641	\$	\$ 72,641
(1,094,225)		(1,094,225)
(110,183)		(110,183)
(4,178)		(4,178)
(11,820)		(11,820)
484,020		484,020
(604,184)		(604,184)
(59,452)		(59,452)
(1,327,381)		(1,327,381)
	(277)	(277)
	(277)	(277)
(1,327,381)	(277)	(1,327,658)
390,276		390,276
60,593		60,593
598,105		598,105
489,484		489,484
204,356		204,356
285,269		285,269
233,925		233,925
21,499		21,499
227,876		227,876
2,511,383		2,511,383
1,184,002	(277)	1,183,725
4,669,821	1,892	4,671,713
<u>\$ 5,853,823</u>	<u>\$ 1,615</u>	<u>\$ 5,855,438</u>

The accompanying notes are an integral part of the financial statements.

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TODD COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2012

TODD COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2012

	General Fund	Road Fund	Jail Fund	Public Properties Corporation Judicial Center Fund	Jail Bond and Lease Fund
ASSETS					
Cash and Cash Equivalents	\$ 1,263,670	\$ 489,890	\$ 2,263	\$ 1,766,603	\$ 1,083
Total Assets	<u>1,263,670</u>	<u>489,890</u>	<u>2,263</u>	<u>1,766,603</u>	<u>1,083</u>
FUND BALANCES					
Restricted For:					
Protection to Persons and Property					
Roads		489,890			
Capital Projects				1,766,603	
Debt Service					1,083
Assigned To:					
Protection to Persons and Property	14,354		2,263		
General Health and Sanitation	540,359				
Unassigned	<u>708,957</u>				
Total Fund Balances	<u>\$ 1,263,670</u>	<u>\$ 489,890</u>	<u>\$ 2,263</u>	<u>\$ 1,766,603</u>	<u>\$ 1,083</u>

Reconciliation of the Balance Sheet-Governmental Funds to Statement of Net Assets:

Total Fund Balances	\$ 3,534,502
Amounts Reported For Governmental Activities In The Statement	
Of Net Assets Are Different Because:	
Capital Assets Used In Governmental Activities Are Not Financial Resources	
And, Therefore, Are Not Reported In The Funds.	21,625,925
Accumulated Depreciation	(4,068,744)
Long-term Debt Is Not Due And Payable In The Current Period And, Therefore,	
Is Not Reported In The Funds.	
Due Within One Year - Principal Payments	(607,909)
Due In More Than One Year - Principal Payments	<u>(14,629,951)</u>
Net Assets Of Governmental Activities	<u>\$ 5,853,823</u>

The accompanying notes are an integral part of the financial statements.

TODD COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
June 30, 2012
(Continued)

Non- Major Funds	Total Governmental Funds
<u>\$ 10,993</u>	<u>\$ 3,534,502</u>
<u>10,993</u>	<u>3,534,502</u>
3,670	3,670
	489,890
	1,766,603
	1,083
3,354	19,971
3,969	544,328
<u> </u>	<u>708,957</u>
<u>\$ 10,993</u>	<u>\$ 3,534,502</u>

The accompanying notes are an integral part of the financial statements.

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TODD COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2012

TODD COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2012

	<u>General Fund</u>	<u>Road Fund</u>	<u>Jail Fund</u>	<u>Public Properties Corporation Judicial Center Fund</u>	<u>Jail Bond and Lease Fund</u>
REVENUES					
Taxes	\$ 1,849,659	\$	\$	\$	\$
In Lieu Tax Payments	233,925				
Excess Fees	55,748				
Licenses and Permits	10,569				
Intergovernmental	416,328	1,497,227	906,623	793,713	
Charges for Services	544,859		16,085		
Miscellaneous	203,045	23,089	36,573		
Interest	14,191			7,308	
Total Revenues	<u>3,328,324</u>	<u>1,520,316</u>	<u>959,281</u>	<u>801,021</u>	
EXPENDITURES					
General Government	839,199	52,139			
Protection to Persons and Property	628,897		1,212,832		
General Health and Sanitation	6,000				
Social Services	4,178				
Recreation and Culture	10,500				
Roads	970	1,130,915			
Debt Service	14,836		500	793,713	298,495
Capital Projects		59,452		4,356,070	
Administration	378,618	160,227	315,640		
Total Expenditures	<u>1,883,198</u>	<u>1,402,733</u>	<u>1,528,972</u>	<u>5,149,783</u>	<u>298,495</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>1,445,126</u>	<u>117,583</u>	<u>(569,691)</u>	<u>(4,348,762)</u>	<u>(298,495)</u>
Other Financing Sources (Uses)					
Transfers From Other Funds			847,000		298,145
Transfers To Other Funds	(1,042,000)		(298,145)		
Total Other Financing Sources (Uses)	<u>(1,042,000)</u>		<u>548,855</u>		<u>298,145</u>
Net Change in Fund Balances	403,126	117,583	(20,836)	(4,348,762)	(350)
Fund Balances - Beginning (Restated)	860,544	372,307	23,099	6,115,365	1,433
Fund Balances - Ending	<u>\$ 1,263,670</u>	<u>\$ 489,890</u>	<u>\$ 2,263</u>	<u>\$ 1,766,603</u>	<u>\$ 1,083</u>

The accompanying notes are an integral part of the financial statements.

TODD COUNTY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
For The Year Ended June 30, 2012
(Continued)

Non- Major Funds	Total Governmental Funds
\$ 118,337	\$ 1,967,996
	233,925
	55,748
48,144	58,713
280,886	3,894,777
36,712	597,656
3,798	266,505
	21,499
<u>487,877</u>	<u>7,096,819</u>
	891,338
404,538	2,246,267
145,613	151,613
	4,178
	10,500
	1,131,885
48,280	1,155,824
	4,415,522
81,605	936,090
<u>680,036</u>	<u>10,943,217</u>
<u>(192,159)</u>	<u>(3,846,398)</u>
195,000	1,340,145
	<u>(1,340,145)</u>
<u>195,000</u>	
2,841	(3,846,398)
8,152	7,380,900
<u>\$ 10,993</u>	<u>\$ 3,534,502</u>

The accompanying notes are an integral part of the financial statements.

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**TODD COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For The Year Ended June 30, 2012

TODD COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds	\$(3,846,398)
Governmental Funds Report Capital Outlays As Expenditures. However, In The Statement of Activities The Cost Of Those Assets Are Allocated Over Their Estimated Useful Lives And Reported As Depreciation Expense.	
Book Value - Disposed Capital Assets	(21,280)
Capital Outlay	5,087,651
Depreciation Expense	(649,763)
Repayment Of Principal On Long-term Debt Consumes The Current Financial Resources Of Governmental Funds. These Transactions, However, Have No Effect On Net Assets.	
Financing Obligation Principal Payments	93,792
Bond Principal Payments	<u>520,000</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 1,184,002</u></u>

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TODD COUNTY
STATEMENT OF NET ASSETS – PROPRIETARY FUND - MODIFIED CASH BASIS

June 30, 2012

TODD COUNTY
STATEMENT OF NET ASSETS – PROPRIETARY FUND - MODIFIED CASH BASIS

June 30, 2012

	Business-Type Activities <hr/> Enterprise Fund <hr/> Jail Canteen Fund <hr/>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 1,615
Total Assets	<hr/> 1,615 <hr/>
Net Assets	
Unrestricted	1,615
Total Net Assets	<hr/> \$ 1,615 <hr/>

The accompanying notes are an integral part of the financial statements.

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TODD COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS – PROPRIETARY FUND – MODIFIED CASH BASIS

June 30, 2012

TODD COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS – PROPRIETARY FUND – MODIFIED CASH BASIS

June 30, 2012

	Business-Type Activities
	Enterprise Fund
	Jail Canteen Fund
Operating Revenues	
Canteen Receipts	\$ 11,144
Miscellaneous	50
Total Operating Revenues	<u>11,194</u>
Operating Expenses	
Educational	1,852
Recreational	1,639
Work Crew Equipment	6,767
Miscellaneous	1,213
Total Operating Expenses	<u>11,471</u>
Operating Income (Loss)	(277)
Total Net Assets - Beginning	1,892
Total Net Assets - Ending	<u><u>\$ 1,615</u></u>

The accompanying notes are an integral part of the financial statements.

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TODD COUNTY
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – MODIFIED CASH BASIS

June 30, 2012

TODD COUNTY
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – MODIFIED CASH BASIS

June 30, 2012

	Business-Type Activities <hr/> Enterprise Fund <hr/>	Jail Canteen Fund <hr/>
Cash Flows From Operating Activities		
Receipts From Customers	\$ 11,144	
Other Receipts	50	
Educational	(1,852)	
Recreational	(1,639)	
Work Crew Equipment	(6,767)	
Miscellaneous	(1,213)	
Net Cash Provided (Used) By Operating Activities	<hr/> (277) <hr/>	
Net (Decrease) In Cash and Cash Equivalents	<hr/> (277) <hr/>	
Cash and Cash Equivalents - July 1, 2011	<hr/> 1,892 <hr/>	
Cash and Cash Equivalents - June 30, 2012	<hr/> \$ 1,615 <hr/>	
Net Cash Provided (Used) by Operating Activities		
Operating (Loss)	<hr/> \$ (277) <hr/>	
Net Cash Provided (Used) By Operating Activities	<hr/> \$ (277) <hr/>	

The accompanying notes are an integral part of the financial statements.

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TODD COUNTY
STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2012

TODD COUNTY
STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2012

	<u>Agency Funds</u>
	Jail
	Inmate
	Fund
	<hr/>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 7,589
Total Assets	<hr/> <u>7,589</u>
 Liabilities	
Current Liabilities:	
Amounts Held In Custody For Others	7,589
Total Liabilities	<hr/> <u>\$ 7,589</u>

The accompanying notes are an integral part of the financial statements.

**INDEX FOR NOTES
TO THE FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	26
NOTE 2. DEPOSITS.....	33
NOTE 3. INTERFUND TRANSFERS.....	33
NOTE 4. CAPITAL ASSETS.....	34
NOTE 5. LONG-TERM DEBT.....	35
NOTE 6. INTEREST ON LONG-TERM DEBT	39
NOTE 7. EMPLOYEE RETIREMENT SYSTEM.....	39
NOTE 8. DEFERRED COMPENSATION.....	40
NOTE 9. INSURANCE.....	41
NOTE 10. CHANGE IN ACCOUNTING PRINCIPLE.....	41
NOTE 11. PRIOR PERIOD ADJUSTMENT.....	41
NOTE 12. SUBSEQUENT EVENT.....	42
NOTE 13. RELATED PARTY TRANSACTION.....	42

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The county presents its government-wide and fund financial statements in accordance with a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received and expenditures when paid. Notes receivable are recognized on the Statement of Net Assets, but notes receivable are not included on the Balance Sheet – Governmental Funds. Property tax receivables, accounts payable, compensated absences, and donated assets are not reflected in the financial statements.

The State Local Finance Officer does not require the county to report capital assets and infrastructure; however, the value of these assets is included in the Statement of Net Assets and the corresponding depreciation expense is included on the Statement of Activities.

B. Reporting Entity

The financial statements of Todd County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14 and GASB 39, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Consequently, the reporting entity includes organizations that are legally separate from the primary government. Legally separate organizations are reported as component units if either the county is financially accountable or the organization's exclusion would cause the county's financial statements to be misleading or incomplete. Component units may be blended or discretely presented. Blended component units either provide their services exclusively or almost entirely to the primary government, or their governing bodies are substantively the same as the primary government. The County has no discretely presented component units.

Blended Component Unit

The following legally separate organizations provide their services exclusively to the primary government, and the fiscal court is able to impose its will on this organization. These organizations' balances and transactions are reported as though they are part of the county's primary government using the blending method.

Todd County Public Properties Corporation

The Todd County Fiscal Court appoints the Public Properties Corporation's governing board and has the ability to impose its will on the governing board. In addition, the Fiscal Court is financially accountable and legally obligated for the debt of the Public Properties Corporation. Financial information for the Public Properties Corporation is blended within Todd County's financial statements. All activities of the Public Properties Corporation are accounted for within a major (capital projects) Justice Center Fund.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Todd County Elected Officials

Kentucky law provides for election of the officials below from the geographic area constituting Todd County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities, and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statements of Todd County, Kentucky.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

D. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its non-fiduciary component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support. Business-type revenues come mostly from fees charges to external parties for goods or services. Fiduciary funds are not included in these financial statements due to the unavailability of fiduciary funds to aid in the support of government programs.

The statement of net assets presents the reporting entity's non-fiduciary assets and liabilities, the difference between the two being reported as net assets. Net assets are reported in three categories: 1) invested in capital assets, net of related debt - consisting of capital assets, net of accumulated depreciation and reduced by outstanding balances for debt related to the acquisition, construction, or improvement of those assets; 2) restricted net assets - resulting from constraints placed on net assets by creditors, grantors, contributors, and other external parties, including those constraints imposed by law through constitutional provisions or enabling legislation; and 3) unrestricted net assets - those assets that do not meet the definition of restricted net assets or invested in capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function; 2) operating grants and contributions; and 3) capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources such as taxes and unrestricted state funds are reported as general revenues.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

Generally and except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 31, delinquent January 1 following the assessment, and subject to sale ninety days following April 15.

Funds are characterized as either major or non-major. Major funds are those whose assets, liabilities, revenues, or expenditures/expenses are at least ten percent of the corresponding total (assets, liabilities, etc.) for all funds or type (governmental or proprietary) and whose total assets, liabilities, revenues, or expenditures/expenses are at least five percent of the corresponding total for all governmental and enterprise funds combined. The fiscal court may also designate any fund as major.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major enterprise funds are reported as separate columns in the financial statements.

Governmental Funds

The primary government reports the following major governmental funds:

General Fund - This is the primary operating fund of the Fiscal Court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Road and Bridge Fund - This fund is for road and bridge construction and repair. The primary source of revenue for this fund is state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

Jail Fund - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of revenue for this fund are reimbursements from the state, payments from other counties for housing prisoners, and transfers from the General Fund. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

Jail Bond and Lease Fund - The primary purpose of this fund is to account for the debt service payments of the Jail. The Department for Local Government does not require the Fiscal Court to report or budget these funds.

Public Properties Corporation Fund – Justice Center – The purpose of this fund is to account for bond proceeds, capital construction costs, and debt service payments related to the Justice Center.

The primary government also has the following non-major funds: Timberland Tax Fund, Solid Waste Fund, and Dispatch Fund.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

Special Revenue Funds:

The Road Fund, Jail Fund, Timberland Tax Fund, Solid Waste Fund, and Dispatch Fund are presented as special revenue funds. Special revenue funds are to account for the proceeds of specific revenue sources and expenditures that are legally restricted for specific purposes.

Debt Service Fund:

The Jail Bond and Lease Fund is presented as a debt service fund. The debt service fund is to account for the accumulation of resources for, and the payment of general long-term debt principal and interest related to the Jail.

Capital Projects Fund:

The Public Properties Corporation Fund – Justice Center - is presented as capital projects funds. Capital projects funds are used to account for the financial resources to be used for the acquisition, construction, or renovation of major capital facilities.

Proprietary Fund

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the county's enterprise fund is charges to customers for sales in the Jail Canteen Fund. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. The government has elected not to adopt Financial Accounting Standards Board (FASB) Statements or Interpretation issued November 30, 1989, unless the Governmental Accounting Standards Board (GASB) adopts such FASB Statements or Interpretations.

The primary government reports the following major proprietary fund:

Jail Canteen Fund – The canteen operations are authorized pursuant to KRS 441.135(1), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 441.134(2) requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Canteen Fund.

Fiduciary Fund

Fiduciary funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments. The county's agency fund is used to account for monies held by the county in the Jail Inmate Fund for custodial purposes only. Unlike other funds, the agency fund reports assets and liabilities only; therefore, it has no measurement focus.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

Fiduciary Fund (Continued)

The primary government reports the following fiduciary fund:

Jail Inmate Fund - This fund accounts for funds received from inmates and remitted for jail canteen expenses, booking fees, or returned to the jail inmate.

E. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported in the applicable government or business-type activities of the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Land and Construction in Progress are not depreciated. Interest incurred during construction is not capitalized. Capital assets and infrastructure are depreciated using the straight-line method of depreciation over the estimated useful life of the asset.

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 12,500	10-60
Buildings and Building Improvements	\$ 25,000	10-75
Machinery and Equipment	\$ 2,500	3-25
Vehicles	\$ 2,500	3-25
Infrastructure	\$ 20,000	10-50

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

G. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable financial statements. The principal amount of bonds, notes, and financing obligations are reported.

In the fund financial statements, governmental fund types recognize bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt payments and interest are reported as expenditures. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Debt proceeds are reported as other financing sources.

H. Fund Equity

In the fund financial statements, the difference between the assets and liabilities of governmental funds is reported as fund balance. Fund balance is divided into nonspendable and spendable components, if applicable.

Non-spendable include amounts that must be maintained intact legally or contractually.

Spendable include the following:

- Restricted – amounts constrained for a specific purpose by external parties, constitutional provisions or enabling legislation.
- Committed – amounts constrained for a specific purpose by the County using its highest level of decision-making authority.
- Assigned – for all governmental funds, other than general fund, any remaining positive amounts not classified as non-spendable, restricted or committed. For the general fund, amounts constrained by intent to be used for a specific purpose by the County or the delegated county committee or official given authority to assign amounts.
- Unassigned – for the general fund, amounts not classified as non-spendable, restricted, committed or assigned. For all other governmental funds, amount expended in excess of resources that are non-spendable, restricted, committed or assigned.

For resources considered committed, the County issues an ordinance or resolution that can only be changed with another corresponding ordinance or resolution.

For resources considered assigned, the County has designated the Treasurer to carry out the intent of the Fiscal Court.

It is the policy of the County to spend restricted resources first, when both restricted and unrestricted resources are available to spend on the activity. Once restricted resources are exhausted, then committed, assigned and unassigned resources will be spent in that order on the activity.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

H. Fund Equity (Continued)

Encumbrances, although not reported on the balance sheet, are purchase orders that will be fulfilled in a subsequent fiscal period. Although the purchase order or contract creates a legal commitment, the Fiscal Court incurs no liability until performance has occurred on the part of the party with whom the Fiscal Court has entered into the arrangement. When a government intends to honor outstanding commitments in subsequent periods, such amounts are encumbered. Due to the modified cash basis of accounting, encumbrances can also include invoices for goods or services at June 30, but not yet paid and not included as an accounts payable. Significant encumbrances at year end are reported by major funds and non-major funds in the aggregate and included with commitments and contingencies note disclosure, if applicable.

I. Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

The State Local Finance Officer does not require a budget of the Jail Bond and Lease Fund and the Public Properties Corporation – Justice Center Fund.

J. Related Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of Todd County Fiscal Court: Todd County Water District and Todd County Airport Board.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 2. Deposits

The primary government maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the County and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

Custodial Credit Risk - Deposits

Custodial Credit risk is the risk that in the event of a depository institution failure, the County's deposits may not be returned. The County does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). As of June 30, 2012, the public funds were covered by FDIC insurance or pledged securities and a properly executed collateral agreement.

Note 3. Interfund Transfers

The Todd County Fiscal Court has the following type of interfund transactions:

Interfund Transfer – Transfers presented in the fund financial statements represent the flow of assets (such as goods or cash) without equivalent flow of assets in return or requirement of repayment. The composition of the interfund transfers is presented below. Note that at the entity-wide level, the interfund transfers have been eliminated. This is to avoid revenues and expenses from being reported more than once.

Governmental Funds	General Fund	Jail Fund	Total Transfers In
Jail Fund	\$ 847,000	\$	\$ 847,000
Jail Bond & Lease Fund		298,145	298,145
Non-Major Governmental Funds	195,000		195,000
Total Transfers Out	<u>\$ 1,042,000</u>	<u>\$ 298,145</u>	<u>\$ 1,340,145</u>

Reason for transfers:

To move resources from and to the General Fund and other funds, for budgetary purposes, to the funds that will expend them.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Reporting Entity			
	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land and Land Improvements	\$ 746,386	\$	\$	\$ 746,386
Construction in Progress	4,145,216	4,356,070		8,501,286
Total Capital Assets Not Being Depreciated	4,891,602	4,356,070		9,247,672
Capital Assets, Being Depreciated:				
Buildings	6,577,782			6,577,782
Vehicles and Equipment	1,999,867	399,409	(75,500)	2,323,776
Infrastructure	3,144,523	332,172		3,476,695
Total Capital Assets Being Depreciated	11,722,172	731,581	(75,500)	12,378,253
Less Accumulated Depreciation For:				
Buildings	(1,084,850)	(104,995)		(1,189,845)
Vehicles and Equipment	(1,139,494)	(205,685)	54,220	(1,290,959)
Infrastructure	(1,248,857)	(339,083)		(1,587,940)
Total Accumulated Depreciation	(3,473,201)	(649,763)	54,220	(4,068,744)
Total Capital Assets, Being Depreciated, Net	8,248,971	81,818	(21,280)	8,309,509
Governmental Activities Capital Assets, Net	\$ 13,140,573	\$ 4,437,888	\$ (21,280)	\$ 17,557,181

Depreciation expense was charged to functions of the primary government as follows:

<u>Governmental Activities:</u>	
General Government	\$ 47,305
Protection to Persons and Property	185,799
General Health and Sanitation	19,188
Recreation and Culture	1,320
Roads, Including Depreciation of General Infrastructure Assets	396,151
Total Depreciation Expense - Governmental Activities	<u>\$ 649,763</u>

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 5. Long-term Debt

A. General Obligation Improvement Bonds (Series 2006)

On February 16, 2006, the Todd County Fiscal Court issued General Obligation Improvement Bonds, for the renovation and construction of a jail. The total bond issue was \$4,320,000, with an interest rate of 4.50%. Principal payments are due each year on February 1 beginning February 1, 2008, with the final payment being due on February 1, 2038. Interest is payable each August 1 and February 1, and begins on August 1, 2006. As of June 30, 2012, bonds outstanding were \$3,965,000. Future debt service requirements are:

Fiscal Year Ended June 30	Principal	Interest
2013	\$ 80,000	\$ 178,925
2014	85,000	175,325
2015	85,000	171,500
2016	90,000	167,675
2017	95,000	163,625
2018-2022	550,000	749,500
2023-2027	690,000	613,825
2028-2032	885,000	441,925
2033-2037	1,140,000	221,200
2038	265,000	12,425
Totals	<u>\$ 3,965,000</u>	<u>\$ 2,895,925</u>

B. Kentucky Public Agency Development Lease Certificates of Participation, Series 2007 A1

On June 19, 2007, Todd County Fiscal Court issued bonds through the Kentucky Public Agency Development Lease Certificates of Participation for renovation and additions to the jail. The total bond issue was \$500,000, with interest rates of 4.00% to 5.10%. Principal payments are due each year on June 1 beginning June 1, 2008, with the final payment being due on June 1, 2027. Interest is payable each December 1 and June 1, and begins on December 1, 2007. The agreement requires annual principal payments and semi-annual interest payments. As of June 30, 2012, bonds outstanding were \$415,000. Future debt service requirements are:

Fiscal Year Ended June 30	Principal	Interest
2013	\$ 20,000	\$ 20,815
2014	20,000	19,915
2015	20,000	19,015
2016	20,000	18,095
2017	25,000	17,175
2018-2022	135,000	67,375
2023-2027	175,000	29,195
Totals	<u>\$ 415,000</u>	<u>\$ 191,585</u>

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 5. Long-term Debt (Continued)

C. First Mortgage Revenue Bonds, Series 2010

On June 1, 2010, the Todd County Public Properties Corporation issued First Mortgage Revenue Refunding Bonds, (Courthouse Project), Series 2010 (the Bonds). The proceeds were used for the purpose of (i) refunding \$1,710,000 in Kentucky Association of Counties Leasing Trust financing obligations and (ii) paying the costs of construction of the Todd County Courthouse. The total bond issue was \$11,110,000, with interest rates of 2.00% to 4.125% and mature beginning in June 2011 through June 2030.

The Kentucky Administrative Office of the Courts (AOC) has agreed to a biannual lease that will cover the debt costs and will be paid to the paying agent on behalf of the County as required by a Use and Sublease Agreement between the County and the AOC dated June 30, 2011.

Under the terms of the lease agreement, the AOC has agreed to pay annually directly to the Paying Agent for the Bonds approximately 100% of the Net Debt Service, the stated Use Allowance Payment, subject to the constitutional restrictions limiting the commitment of state agencies to the then current biennial period; said amount to be applied only to the principal of and interest on the Bonds so long as the County renews the lease. Under the Lease, the Corporation has pledged and assigned all of its rights under the Lease Agreement to the Trustee in order to secure the Bonds.

The AOC, with the execution of the Lease Agreement, will have expressed its intention to pay the full Use Allowance Payment in each successive biennial budget period until June 1, 2030. In addition, the current policy of AOC provides for the continuation of one-half of the rental payment as long as AOC occupies said space of the Project, past the maturity of the Bonds. The AOC will covenant that it intends to request funding from the Kentucky General Assembly each biennium and to use the proceeds of such funding and/or revenues from other sources to pay such Use Allowance Payment each year.

In addition to the Use Allowance Payment, certain expenses attributable to maintaining and operating the building for use by the AOC are paid to the County.

As of June 30, 2012, bond outstanding were \$10,235,000. Future debt service requirements are:

Fiscal Year Ended June 30	Principal	Interest
2013	\$ 435,000	\$ 360,213
2014	445,000	351,512
2015	450,000	342,613
2016	465,000	331,362
2017	480,000	317,413
2018-2022	2,620,000	1,351,550
2023-2027	3,135,000	836,625
2028-2030	2,205,000	184,106
Totals	<u>\$ 10,235,000</u>	<u>\$ 4,075,394</u>

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 5. Long-term Debt (Continued)

D. Emergency Operations Center

On June 21, 2006, the Todd County Fiscal Court entered into an agreement with the Kentucky Area Development District Leasing Trust. The agreement was for improvements and construction to the emergency operations center. The principal was \$350,000 at interest rates of 4.20% to 5.00% for a period of twenty-one years, interest payable semi-annually. Principal outstanding as of June 30, 2012, was \$275,000. Future debt service requirements are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2013	\$	\$ 6,986
2014	15,000	13,623
2015	15,000	12,924
2016	15,000	12,225
2017	15,000	11,526
2018-2022	95,000	44,712
2023-2027	<u>120,000</u>	<u>17,782</u>
Totals	<u>\$ 275,000</u>	<u>\$ 119,778</u>

E. Solid Waste Truck

On January 5, 2009, the Todd County Fiscal Court entered into an agreement with the Kentucky Association of Leasing Trust. The agreement was for the purchase of a solid waste truck. The principal was \$123,851 at variable interest rates for a period of six year, interest payable monthly and principal payable annually. Principal outstanding as of June 30, 2012, was \$63,851. Future debt service requirements are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 30,000	\$ 2,044
2014	<u>33,851</u>	<u>832</u>
	<u>\$ 63,851</u>	<u>\$ 2,876</u>

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 5. Long-term Debt (Continued)

F. Courthouse Roof Repair

On February 16, 2010, the Todd County Fiscal Court entered into an agreement with the Kentucky Association of Leasing Trust. The agreement was for the replacement of the roof at the courthouse. The principal was \$326,100 at variable interest rates for a period of ten years, interest payable monthly and principal payable annually. Principal outstanding as of June 30, 2012, was \$271,100. Future debt service requirements are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 30,000	\$ 10,291
2014	30,000	10,016
2015	30,000	8,740
2016	35,000	7,384
2017	35,000	5,898
2018-2020	<u>111,100</u>	<u>8,330</u>
Totals	<u>\$ 271,100</u>	<u>\$ 50,659</u>

G. Ambulance

On September 7, 2010, the Todd County Fiscal Court entered into an agreement with Magnolia Bank. The agreement was for the purchase of an ambulance. The principal was \$86,829, interest and principal payable monthly, with \$40,000 due on September 7, 2010. Principal outstanding as of June 30, 2012, was \$12,909. Future debt service requirements are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 12,909	\$ 217
Totals	<u>\$ 12,909</u>	<u>\$ 217</u>

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 5. Long-term Debt (Continued)

H. Changes In Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
Bonds Payable	\$ 15,135,000	\$	\$ 520,000	\$14,615,000	\$ 535,000
Financing Obligations	716,652		93,792	622,860	72,909
Governmental Activities Long-term Liabilities	<u>\$ 15,851,652</u>	<u>\$</u>	<u>\$ 613,792</u>	<u>\$15,237,860</u>	<u>\$ 607,909</u>

Note 6. Interest on Long-term Debt and Financing Obligations

Debt Service on the Statement of Activities includes \$30,946 in interest on financing obligations, \$571,558 in interest on bonds, and \$1,680 in fees.

Note 7. Employee Retirement System

The fiscal court has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost sharing, multiple employer defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability and death benefits to plan members. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 6 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 18.96 percent.

The county's contribution for FY 2010 was \$243,750, FY 2011 was \$279,923, and FY 2012 was \$292,312.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 7. Employee Retirement System (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (members age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

CERS also provides postretirement health care coverage as follows:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

<u>Years of Service</u>	<u>% paid by Insurance Fund</u>	<u>% paid by Member through Payroll Deduction</u>
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

Note 8. Deferred Compensation

On March 14, 2008, the Todd County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax sheltered supplemental retirement plans for all state, public school and university employees and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permit all full time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensations plan is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Employee's Deferred Compensation Authority's annual financial report. This report may be obtained by writing the Kentucky Public Employees' Deferred Compensation Authority at 101 Sea Hero Road, Suite 110, Frankfort, Kentucky, 40601-8862, or by telephone at (502) 573-7925.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 9. Insurance

For the fiscal year ended June 30, 2012, Todd County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 10. Change in Accounting Principle

The Todd County Fiscal Court implemented a new accounting standard, Governmental Accounting Standards Board (GASB) Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions which has altered the classifications of Fund Balance and Balance Sheet – Governmental Funds and the presentation of funds. The Local Government Economic Assistance Fund, Ambulance Fund, Sheriff Fund and the Contingency Fund previously presented no longer meet the definition of a special revenue fund and have been combined with the General Fund. The implementation did not cause a restatement of total beginning fund balance or beginning net assets.

Note 11. Prior Period Adjustment

The prior year net asset ending balance has been restated for the following:

	Governmental Activities
Net Assets Ending Balance Prior Year	\$ 4,931,154
Adjustments:	
Unamortized Bond Issue Costs	(76,329)
Unamortized Discounts	(199,932)
Prior Year Voided Checks	15,000
Rounding Difference	2
Health Insurance Revolving Account	(74)
Net Assets Beginning Balance - Restated	<u>\$ 4,669,821</u>

The prior year governmental fund balance ending balance has been restated for the following:

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012
(Continued)

Note 11. Prior Period Adjustment (Continued)

	General Fund	Jail Fund	Public Properties Corporation Judicial Center Fund	Jail Bond and Lease Fund
Ending Fund Balance Prior Year	\$ 811,258	\$ 8,098	\$	\$ 6,116,796
Adjustments:				
Prior Year Voided Checks		15,000		
Rounding Difference		1		2
Health Insurance Revolving Account	(74)			
Public Properites Corporation - Judicial Center Fund			6,115,365	(6,115,365)
LGEA Fund	9,096			
Ambulance Fund	37,814			
Sheriff Department Fund	2,450			
Beginning Fund Balance - Restated	<u>\$ 860,544</u>	<u>\$ 23,099</u>	<u>\$ 6,115,365</u>	<u>\$ 1,433</u>

Note 12. Subsequent Event

On November 30, 2012, the Todd County Fiscal Court issued Revenue Bonds, First Series 2012 A and B. The proceeds were used to refinance the Kentucky Public Agency Development Lease Certificates of Participation, Series 2007 A1. The total bond issued was \$425,000, with interest rates of 1.00% to 2.75% and mature beginning in February 2013 through February 2027.

Note 13. Related Party Transaction

A magistrate owns a local grocery store. The county jail purchases all of the bread needed from this store. In fiscal year 2012, a total of \$4,736 was paid to the grocery store.

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TODD COUNTY
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

June 30, 2012

TODD COUNTY
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

June 30, 2012

	Timberland Tax Fund	Solid Waste Fund	Dispatch Fund	Total Non-Major Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 3,670	\$ 3,969	\$ 3,354	\$ 10,993
Total Assets	<u>3,670</u>	<u>3,969</u>	<u>3,354</u>	<u>10,993</u>
FUND BALANCES				
Restricted For:				
Protection to Persons and Property	3,670			3,670
Assigned To:				
Protection to Persons and Property			3,354	3,354
General Health and Sanitation		3,969		3,969
Total Fund Balances	<u>\$ 3,670</u>	<u>\$ 3,969</u>	<u>\$ 3,354</u>	<u>\$ 10,993</u>

The accompanying notes are an integral part of the financial statements.

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TODD COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information
For The Year Ended June 30, 2012

TODD COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

For The Year Ended June 30, 2012

	Timberland Tax Fund	Solid Waste Fund	Dispatch Fund	Total Non-Major Governmental Funds
REVENUES				
Taxes	\$ 1,338	\$ 12,811	\$ 104,188	\$ 118,337
Licenses and Permits		48,144		48,144
Intergovernmental		27,009	253,877	280,886
Charges for Services		23,354	13,358	36,712
Miscellaneous		2,588	1,210	3,798
Total Revenues	<u>1,338</u>	<u>113,906</u>	<u>372,633</u>	<u>487,877</u>
EXPENDITURES				
Protection to Persons and Property	1,038		403,500	404,538
General Health and Sanitation		145,613		145,613
Debt Service		33,444	14,836	48,280
Administration		13,106	68,499	81,605
Total Expenditures	<u>1,038</u>	<u>192,163</u>	<u>486,835</u>	<u>680,036</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>300</u>	<u>(78,257)</u>	<u>(114,202)</u>	<u>(192,159)</u>
Other Financing Sources (Uses)				
Transfer From Other Funds		79,000	116,000	195,000
Total Other Financing Sources (Uses)		<u>79,000</u>	<u>116,000</u>	<u>195,000</u>
Net Change in Fund Balance	300	743	1,798	2,841
Fund Balances - Beginning	<u>3,370</u>	<u>3,226</u>	<u>1,556</u>	<u>8,152</u>
Fund Balances - Ending	<u>\$ 3,670</u>	<u>\$ 3,969</u>	<u>\$ 3,354</u>	<u>\$ 10,993</u>

The accompanying notes are an integral part of the financial statements.

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TODD COUNTY
BUDGETARY COMPARISON INFORMATION
Other Information - Modified Cash Basis
For The Year Ended June 30, 2012

TODD COUNTY
BUDGETARY COMPARISON INFORMATION
Other Information - Modified Cash Basis

For The Year Ended June 30, 2012

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,637,400	\$ 1,637,400	\$ 1,849,659	\$ 212,259
In Lieu Tax Payments	236,500	236,500	233,925	(2,575)
Excess Fees	20,187	20,187	55,748	35,561
Licenses and Permits	6,000	6,000	10,570	4,570
Intergovernmental	590,481	590,481	64,132	(526,349)
Charges for Services	4,500	4,500	3,920	(580)
Miscellaneous	80,340	180,502	189,347	8,845
Interest	27,000	27,000	10,946	(16,054)
Total Revenues	2,602,408	2,702,570	2,418,247	(284,323)
EXPENDITURES				
General Government	658,885	671,950	534,656	137,294
Protection to Persons and Property	35,600	35,600	20,497	15,103
General Health and Sanitation	22,700	22,700	6,000	16,700
Social Services	7,400	7,400	4,178	3,222
Recreation and Culture	22,500	22,500	10,500	12,000
Capital Projects	500,000	500,000		500,000
Administration	368,701	360,798	222,398	138,400
Total Expenditures	1,615,786	1,620,948	798,229	822,719
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	986,622	1,081,622	1,620,018	538,396
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	75,000	75,000		(75,000)
Transfers To Other Funds	(1,434,934)	(1,434,934)	(1,440,493)	(5,559)
Total Other Financing Sources (Uses)	(1,359,934)	(1,359,934)	(1,440,493)	(80,559)
Net Changes in Fund Balance	(373,312)	(278,312)	179,525	457,837
Fund Balance - Beginning (Restated)	374,312	374,312	529,432	155,120
Fund Balance - Ending	\$ 1,000	\$ 96,000	\$ 708,957	\$ 612,957

TODD COUNTY
BUDGETARY COMPARISON INFORMATION
Other Information - Modified Cash Basis
For The Year Ended June 30, 2012
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,407,939	\$ 1,407,939	\$ 1,497,227	\$ 89,288
Miscellaneous	10,000	10,000	23,089	13,089
Interest	2,500	2,500		(2,500)
Total Revenues	1,420,439	1,420,439	1,520,316	99,877
EXPENDITURES				
General Government	60,000	60,000	52,139	7,861
General Health and Sanitation	500	500		500
Roads	1,169,994	1,158,994	1,130,915	28,079
Capital Projects	100,000	100,000	59,452	40,548
Administration	160,600	171,600	160,227	11,373
Total Expenditures	1,491,094	1,491,094	1,402,733	88,361
Net Changes in Fund Balance	(70,655)	(70,655)	117,583	188,238
Fund Balance - Beginning	70,655	70,655	372,307	301,652
Fund Balance - Ending	\$	\$	\$ 489,890	\$ 489,890

TODD COUNTY
BUDGETARY COMPARISON INFORMATION
Other Information - Modified Cash Basis
For The Year Ended June 30, 2012
(Continued)

JAIL FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 972,200	\$ 972,200	\$ 906,623	\$ (65,577)
Charges for Services	15,500	15,500	16,085	585
Miscellaneous	37,500	37,500	36,573	(927)
Total Revenues	1,025,200	1,025,200	959,281	(65,919)
EXPENDITURES				
Protection to Persons and Property	1,267,381	1,271,381	1,212,832	58,549
Debt Service	315,800	303,100	500	302,600
Administration	308,000	326,700	315,640	11,060
Total Expenditures	1,891,181	1,901,181	1,528,972	372,209
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(865,981)	(875,981)	(569,691)	306,290
OTHER FINANCING SOURCES (USES)				
Transfers To Other Funds			(298,145)	(298,145)
Transfers From Other Funds	865,981	865,981	847,000	(18,981)
Total Other Financing Sources (Uses)	865,981	865,981	548,855	(317,126)
Net Changes in Fund Balance		(10,000)	(20,836)	(10,836)
Fund Balance - Beginning			23,099	23,099
Fund Balance - Ending	\$	\$ (10,000)	\$ 2,263	\$ 12,263

TODD COUNTY
NOTES TO OTHER INFORMATION

June 30, 2012

Note 1. Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

Note 2. Reconciliation To The Statement Of Revenues, Expenditures, And Changes In Fund Balances – Governmental Funds – Modified Cash Basis

Reconciliation of General Fund

Total Revenues - Budgetary Basis	\$ 2,418,247
LGEA Fund - Revenues	45,486
Ambulance Fund - Revenues	563,289
Sheriff Fund - Revenues	298,058
Contingency Fund - Revenues	<u>3,244</u>
Total Revenues - Modified Cash Basis	<u><u>\$ 3,328,324</u></u>
Total Expenditures - Budgetary Basis	\$ 798,229
LGEA Fund - Budgetary Basis	21,647
Ambulance Fund - Budgetary Basis	711,131
Sheriff Fund - Budgetary Basis	<u>352,191</u>
Total Expenditures - Modified Cash Basis	<u><u>\$ 1,883,198</u></u>
Beginning Fund Balance - Budgetary Basis	\$ 529,432
LGEA Fund - Beginning Fund Balance	9,096
Ambulance Fund - Beginning Fund Balance	37,814
Sheriff Fund - Beginning Fund Balance	2,450
Contingency Fund - Beginning Fund Balance	<u>281,752</u>
Beginning Fund Balance - Modified Cash Basis	<u><u>\$ 860,544</u></u>
Ending Fund Balance - Budgetary Basis	\$ 708,957
LGEA Fund - Ending Fund Balance	32,935
Ambulance Fund - Ending Fund Balance	4,473
Sheriff Fund - Ending Fund Balance	30,316
Contingency Fund - Ending Fund Balance	<u>486,989</u>
Ending Fund Balance - Modified Cash Basis	<u><u>\$ 1,263,670</u></u>

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**



ADAM H. EDELEN
AUDITOR OF PUBLIC ACCOUNTS

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards**

The Honorable Daryl Greenfield, Todd County Judge/Executive
Members of the Todd County Fiscal Court

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Todd County, Kentucky, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 18, 2012. Todd County presents its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Todd County Fiscal Court is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Todd County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Todd County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Todd County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying comments and recommendations as items 2012-01 and 2012-02 that we consider to be significant deficiencies in internal control over financial reporting.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With Government Auditing Standards
(Continued)

Internal Control Over Financial Reporting (Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Todd County Fiscal Court's financial statements as of and for the year ended June 30, 2012, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying comments and recommendations as item 2012-03.

The Todd County Judge/Executive's and County Jailer's responses to the findings identified in our audit are included in the accompanying comments and recommendations. We did not audit responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within the entity, and the Department for Local Government and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Adam H. Edelen', with a stylized flourish at the end.

Adam H. Edelen
Auditor of Public Accounts

December 18, 2012

TODD COUNTY
COMMENTS AND RECOMMENDATIONS

For The Year Ended June 30, 2012

**TODD COUNTY
COMMENTS AND RECOMMENDATIONS**

Fiscal Year Ended June 30, 2012

INTERNAL CONTROL - SIGNIFICANT DEFICIENCIES:

2012-01 Todd County Fiscal Court Has Lack Of Segregation Of Duties Over Cash, Cash Transfers, And Receipts

The County Treasurer deposits the receipts and posts transactions into the accounting system. The County Treasurer prepares reports for submission to the Department for Local Government, makes cash transfers between funds, and performs the bank reconciliations for all bank accounts. There were no documented compensating controls to offset the lack of segregation of duties to reduce the deficiency to less than significant level.

Lack of segregation of duties could result in misappropriation of assets and/or inaccurate financial reporting to external agencies such as the Department for Local Government, which could occur but go undetected. In addition, too much control by one individual without oversight can lead to irregularities that go undetected.

We recommend that the County divide the responsibilities for cash and receipts among the County Treasurer, Finance Officer, and other employees of the County in order to achieve an appropriate level of segregation of duties or implement compensating controls over these areas.

County Judge/Executive Daryl Greenfield's Response: Segregation of duties are hard to control with a small staff, we continue to work daily on internal control.

2012-02 Todd County Detention Center Has Lack Of Segregation Of Duties Over Jail Operations And Jail Commissary

The Todd County Detention Center has a lack of adequate segregation of duties over the jail operations and jail commissary accounting functions. The bookkeeper for the jail commissary prepares deposits, prepares daily checkout sheets, and posts to the receipts ledger. In addition, the bookkeeper prepares monthly collection and disbursement reports, writes and signs checks, posts to the disbursements ledger, and prepares the monthly bank reconciliations. The Jailer or another individual did not document oversight of any of these activities.

Lack of oversight could result in misappropriation of assets and/or inaccurate financial reporting which could occur but go undetected.

The Jailer should offset the lack of adequate segregation of duties by implementing compensating controls such as periodically performing surprise cash counts, reviewing the bank reconciliations, and comparing the daily deposits to the daily checkouts and the receipts ledger, reconciling any differences. In addition, the Jailer should compare the monthly reports to the receipts and disbursements ledgers for accuracy. Initialing and dating the bank reconciliations, bank deposits, daily checkout sheets, receipts and disbursements ledgers, and reports can document this review.

County Jailer Greg Allen Response: I have personally done many of the things recommended, such a personal cash counts, reviewing reconciliations etc. However, in the future these compensating controls will be logged and initialed for verification.

**TODD COUNTY
COMMENTS AND RECOMMENDATIONS
Fiscal Year Ended June 30, 2012
(Continued)**

COMPLIANCE AND OTHER MATTERS:

2012-03 Todd County Fiscal Court Should Bid All Items Exceeding \$20,000 Or Have Documentation That
Items Were Purchased On State Contract

During testing we noted purchases for four items exceeding \$20,000 that were not properly bid. KRS 424.260 states "Except where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for materials, supplies except perishable meat, fish, and vegetables, equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (\$20,000) without first making newspaper advertisement for bids." If the county uses the state contract price, the county must maintain documentation of the contract price as well as use the state selected vendor. We recommend the requirements of KRS 423.260 be followed or proper documentation of the state contract be maintained.

County Judge/Executive Daryl Greenfield's Response: We have corrected this process and will monitor large purchases more closely.

**CERTIFICATION OF COMPLIANCE –
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

TODD COUNTY FISCAL COURT

For The Fiscal Year Ended June 30, 2012

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
TODD COUNTY FISCAL COURT

For The Fiscal Year Ended June 30, 2012

The Todd County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

A handwritten signature in black ink, appearing to read "C. D. [unclear]", written over a horizontal line.

County Judge/Executive

A handwritten signature in black ink, appearing to read "Jimmy Robertson", written over a horizontal line.

County Treasurer